

Message Text

CONFIDENTIAL

PAGE 01 JAKART 06879 051059Z

20

ACTION PM-07

INFO OCT-01 EA-11 ISO-00 NSC-07 SP-03 SS-20 RSC-01 CIAE-00

INR-10 NSAE-00 SSO-00 INRE-00 AID-20 IGA-02 TRSE-00

OMB-01 L-03 /086 W

----- 025332

O 050928Z JUN 74

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC IMMEDIATE 2665

INFO SECDEF WA SHDC

CINCPAC

C O N N F I D E N T I A L JAKARTA 6879

AMEMBASSADOR SENDS

CINCPAC FOR POLAD

EO 11652: GDS

TAGS: M

ASS, ID

SUBJECT: MILITARY ASSISTANCE FOR INDONESIA

REFS: A. STATE 023464 B. STATE 116056 C. JAKARTA 6701

D. STATEE 113687

1. SUMMARY: WE ARE NOW AT IMPORTANT JUNCTURE IN
MILITARY RELATIONSHIP WITH INDONESIA. HOW WE PLAY
COMBINATION OF REDUCED MAP, AVAILABILITY OF FMS AND
PRICE OF C-130BS WILL BE CRUCIAL TO PRESERVATION OUR

MAP OBJECTIVES AND TRANSITION TO LESS CONCESSIONAL
MILITARY SUPPLY RELATIONSHIP.; WE SHOULD MAKE EVERY
EFFORT PROVIDE C-130B AS FIRST FMS ITEM.

2. EMBASSY FULLY UNDERSTANDS DIFFICULT PROBLEM WASHINGTON
FACED IN CARVING UP FY 74 MAP PIE. WE APPRECIATE THAT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JAKART 06879 051059Z

SIZEABLE MAP PROGRAM HAS BEEN PRESERVED FOR INDONESIA.

REVISED PROGRAM OF \$12.2 MILLION HOWEVER (EXCLUDING SUPPLY OPERATIONS) REPRESENTS CUT OF ALMOST 31 PERCENT BELOW EARLIER PROGRAMMED AMOUNT OF WHICH GOI INFORMED (REFS A AND B). WE WILL EMPHASIZE CAMBODIAN NEEDS TO GOI WHICH THEY WILL UNDERSTAND. THEY MAY WELL LEARN, HOWEVER, THAT TWO OTHER SEA NATIONS, THAILAND AND PHILIPPINES, SUSTAINED ONLY 17 PERCENT CUTS (REFS A AND B). WHILE WE MAY CONSIDER THAT INDONESIA'S INCREASED OIL REVENUES ARE A DETERMINING FACTOR, GOI MILITARY SEES MAP IN TERMS EARLIER US ASSURANCES AND SO FAR DECLINES ACCEPT THIS ARGUMENTATION. THIS MEANS WE HAVE SPECIAL PROBLEM IN GAINING RELATIVELY SMOOTH ACCEPTANCE NEW MAP FIGURE. WE BELIEVE WE CAN DOO IT IF FMS OFFER AND PRICE FIRST CC-130B CAN BE BROUGHT IN LINE. EXTREMELY HELPFUL OFFER OF FMS CREDIT (REF D) WHICH I NOW UNDERSTAND WILL BE \$3.5 MILLION CAN GO AA LONG WAY TOWARDS ACHIEVING THIS OBJECTIVE.

3. SINCE MY MEETINOG WITH HASNAN HABIB (REF C) HANKAM HAS INFORMED DLG THAT GOI WISHEES TO BUY FIRST C-130B WITH 197

4 FMS, IF FUNDS SUFFICIENT, AND ASSUMING CONDITION OF PLANE SUITABLE. SUGGESTED PRICE OF \$4.048 MILLION FOR C-130B (WHICH LISTED IN MASL AT \$2.8 MILLION, AND OF WHICH WE BELIEVE GOI MAY BE AWARE), WILL NOT PERMIT USE FMS FOR PURCHASE.

4. ACTION RREQUESTED: STRONGLY URGE THEREFORE THAT PRICE OF C-130B OFFERED BE TAILORED TO FIT WITHIN 74 FMSS CREDIT AVAILABLE. I AM SEEKING APPOINTMENT AT SENIOR HANKAM LEVEL MONDAY, JUNE 10, (FOLLOWING COL MCCUEN'S RETURN) TO INFORM THEM OF REDUCED MAP GRANT LEVEL. WOULD APPRECIATE BEING ABLE TO IN FORM HANKAM AT THAT TIME WHEN I WILL ALSO MENTION REDUCED MAP LEVEL THAT WE PREPARED TO SELL C-130B AT PRICE WITHIN AMOUNT OF FMS CREDIT AVAILABLE.
NEWSOM

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FUND ALLOTMENT, CREDIT, AIRCRAFT, MILITARY ASSISTANCE PROGRAMS, INTEREST RATES, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974JAKART06879
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740142-0800
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740674/aaaacInn.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. STATE 023464 B. STATE 116056 C. J, AKARTA 6701
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUL 2002 by shawdg>; APPROVED <20 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MILITARY ASSISTANCE FOR INDONESIA
TAGS: MASS, ID, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005